

## Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Monday.
- Cotton prices increased in Gujarat, over fresh buying from millers and exporters. Prices after coming down in this week are expected to increase in coming next week, if demand from exporters continues in the market.
- Cotton consumption by non-SSI mill stood at 1.928 million bales during November, 2012 and SSI mill consumption was at 184,000 bales up 8.2 percent compared to same period last year, as per textile commissioner.
- Cotton Association of India has come out with higher outlook in carryover stocks at 147.46 lakh bales.
- Exports in 2012-13 are estimated to be at 57 lakh bales by USDA report.

## Cotton International Fundamentals

- Pakistan total cotton arrivals to ginneries and millers had touches 12.02 million bales, which is 6.29 percent less than previous year. Mills are struggling from energy crisis, which has affected the export.
- China cotton output increased by 3.2% to 6.84 million tons as per National Bureau of Statistics, China.
- USDA forecast, China to reduce the imports by 53% which may be affecting international prices to reduce.
- USA Cotton acreage is expected to decrease by 21% to 9.73 million hectares due to crop shift to corn and soybean crops as they are giving higher returns than fiber crop.

**Outlook:** We expect domestic cotton prices to continue steady to firm tone on good export demand of cotton yarn.

### NCDEX Kapas Futures: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-13	0	885.00	885.00	875.00	880.00
Apr-13	-13.5	921	922	905.5	907

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	3	3	38	2
Apr-13	9605	-305	12800	-305

### Spread Feb-13 Apr-13

Basis	60	
Feb-13		37
April-13		

**NB:** Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

### MCX Kapas Futures: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-13	-11.3	906.9	906.9	891	892.1
Apr-13	-12.7	925.1	926.8	910.5	912.4

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	295	215	1087	16
Apr-13	1138	855	1483	62

### Spread Feb-13 Apr-13

Basis	-22.1	
Feb-13		20.3
April-13		

**NB:** Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

Contract	% Change	Open	High	Low	Close
31-Jan-13	-	-	-	-	--
28-Feb-13	-	-	-	-	-
29-Mar-13	-	-	-	-	-
30-Apr-13	-	-	-	-	-
31-May-13	-	-	-	-	-

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	21-01-2013	19-01-2013	
Amravati-Vunni Mech-1#	4035	4050	-15
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4300	4350	-50
Gondal	4265	4285	-20
Rajkot-(B.T)	4285	4325	-40
Abohar-J-34*	3575	3580	-5
Muktsar-J-34 *(Cotton )	3575	3580	-5
#(Kapas BT Cotton)	4200	-	-
Fajlika #(Cotton New)	3550	3570	-20
#(Kapas BT Cotton)	4270	4270	Unch
Khandwa-(M.P)	4100	-	-
Khargaon-(M.P)	4100	-	-
Sri-Ganganagar	3500	3500	Unch

\*-Rs/maund, #-Rs.qtl,

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	21-01-2013	19-01-2013	
Amravati -Vunni Mech-1#	2500	3000	-500
Kadi -Bt Cotton	550000	40000	510000
Ahmedabad - Shankar-6#	45000	42000	3000
Gondal	2164	1374	790
Rajkot-(B.T)	4860	4800	60
Abohar-J-34*	1200	800	400
Muktsar-J-34 *(Cotton )	500	200	300
#(Kapas BT Cotton)	500	-	-
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	2000	1500	500
Khandwa (M.P)	4000	-	-
Khargaon-(M.P)	16000	-	-
Sri-Ganganagar	4000	4000	Unch

Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

**Cotton Association of India Spot Rates: 18/01/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (18/01/2013)	Rs. Per Candy (17/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	35100	Unch
J-34(202)	26mm	3.5 - 4.9	23	32700	32700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	33000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	33900	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34300	34300	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35200	35200	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

**Cotlook Index: As on 18/01/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	85.50	+0.50

**China Cotton Index: As on 21/01/2013**

Index	RMB/Ton	Change
CCIndex(328)	19286	-1
CCIndex(527)	16912	+7
CCIndex(229)	20039	Unch

RMB - Renminbi, 1RMB = 0.16 \$U.S.

**USDA Cotton Spot Rates: As on 18/01/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	75.55	78.80	1410
North Delta	75.05	77.55	198
South Delta	75.05	77.55	NIL
East TX-OK	71.75	75.25	3122
West Texas	71.75	75.25	18771
Desert SW	73.05	79.55	600
SJ Valley	73.80	84.45	NIL

Spot quotations are for cotton equal to the official standards, net weight, in mixed lots. Upland quotations are FOB car/truck, which includes compression and any brokerage charges. The upland base quality is color 41, leaf grade 4, staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per Tex and uniformity 80.5 to 81.4

**ICE Cotton Futures (Prices in cents/lb.): As on 18/01/2013**

Contract	Open	High	Low	Close	Change
13-Mar	77.75	78.88	77.55	78.55	+0.77
13-May	78.10	78.95	77.83	78.67	+0.48
13-Jul	78.57	79.20	78.34	79.00	+0.14
13-Oct	78.99	78.99	78.99	78.99	-0.08
13-Dec	79.10	79.50	78.84	79.18	-0.11
14-Mar	80.03	80.21	80.03	80.21	-0.02

**Pakistan Cotton Spot rates: As on 19/01/2013 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5900	155	6055
Equivalent	40 Kgs	6323	155	6478

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